Every time, whenever an aircraft flies and then lands, at every stage there are various processes of inspection to check whether the machine is all right or whether there is any deficiency. So far as the deficiency in the equipment is concerned, whenever it takes place we just discuss with manufacturers, identify the defects and nowhere in any part of the world any manufacture can claim that they will manufacture an aircraft which will not develop snag in course of time. At the time of purchase there is no snag. These snags develop in course of time. Sometimes even in your personal experiences you will find when you enter into an aircraft, it cannot fly because the pilot informs that some snag has developed. These are common things.

SHRI DIPANKAR MUKHERJEE: Sir, I have to make only a point to supplement what Mr. Panda has said. So far as maintenance is concerned, I feel, even failure of components of systems and material failure or even system malfunctioning is a part of it. You may not call it a preventive maintenance. So, I would like to know from the hon. Minister, if these types of failures are coming under the head 'Technical Defect', whether a proper predictive maintenance being carried out or not. I would also like to know whether a predictive maintenance schedule is there, apart from preventive maintenance, because these failures would come under the maintenance failure, provided that predictive maintenance is also treated as a part of the maintenance.

SHRI PRANAB MUKHERJEE: Sir, I would not like to fall between the two experts and two engineers and divide these areas. But, what I can assure you is that generally these -- preventive and predictive -- are taken care of.

Encouraging indigenous production of defence equipment

*63. SHRIMATI VANGA GEETHA: Will the Minister of DEFENCE be pleased to state:

(a) whether Government are laying stress on building a strong R&D base with accountability so that the development of defence equipment within the country is encouraged and dependence on foreign suppliers is minimized;

(b) if so, the details thereof;

(c) whether Government are considering the recently promulgated integrity pact for weapons suppliers of deals worth over Rs. 300 crore should also be made applicable for deals of more than Rs. 100 crore;

(d) if so, the details thereof; and

(e) if not, the reasons therefore?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) and (b) Yes, Sir. There has been a substantial growth of R&D base towards making the nation self-reliant in the development of defence equipment. HQ Integrated Defence Staff, with participation of all stake-holders, is working on methodologies for effective conceptualization, execution and monitoring of R&D projects with a view to minimize dependence on foreign suppliers. Concurrently, production facilities of Government PSUs and also private manufacturing agencies are being harnessed for making of defence equipment. In-house R&D of Defence PSU's and Ordnance Factories is also being strengthened.

(c) and (d) Yes, Sir. The Government is considering the proposal as per the recommendations of the Standing Committee on Defence.

(e) Does not arise.

SHRIMATI VANGA GEETHA: Sir, India's purchases have driven global arms sales, revitalizing the Russian and Israeli Defence industries. However, not only is the valuable foreign exchange being lost, but also jobs in the domestic market sphere. Technology vulnerability is an additional risk. For example, 70 per cent of India's arms imports are of Russian origin. The demand large amounts for spare part supplies. So, I would like to know from the hon. Minister whether the Ministry is allowing private sector participation to be one of the ways to enhance India's quest for self-reliance in Defence production, because India has a strong civilian manufacturing base and a mature private sector. What are the steps taken in this direction so far?

SHRI PRANAB MUKHERJEE: Sir, there are two issues which the hon. Members has referred. The first one is how we can reduce the dependence on external supplies. And, secondly, whether private sector participation is there.

Sir, from 2001, the Government's policy has been changed and private sector can participate in the Defence production, subject to licensing. For

indigenous private sector *i.e.*, Indian companies, they can invest up to 100 per cent and when it comes to direct foreign investment, it is permissible up to 26 per cent. Some private sector companies like, TATAs, L & T, etc., in limited areas, are also participating in the Defence production.

So far as the expenditure on Defence is concerned I would say that even if we improve the technological components in our own indigenous production, we would also have some imported components. For instance, I can give you one example. I checked up. The production features being carried on by the DRDO, today, are 60 per cent indigenous elements and 40 per cent imported elements. Nowhere you will find that 100 per cent would be indigenous element. It is a question of what are the variables. So, in certain sectors we are having 70 per cent indigenous and 30 per cent imported components. There are certain more sophisticated areas where the percentage of import component is higher than that of indigenous. So, these exercises are being carried on.

SHRIMATI VANGA GEETHA: Sir, my second supplementary is this. I would like to know whether the Government is preparing any long-term plan are concerned, we always do it. But, unfortunately, again I am saying, there is a gap between our desire and our capability. For instance, in the Tenth Plan our total outlay was more than Rs. 4,16,000 crores. And when we are in the terminal year of the Tenth Plan, I find that I will be short by almost more than Rs. 1,00,000 crores. Rupees One lakh crores will be the shortfall and that affects your long-term plan.

For Air Force there is a Fifteen Year long-term Plan, and may be, there are Twenty-Year long-term Plans. And for army there are Five Year Plans, opperationalised in the Annual Plan, and we try to be as near as possible depending on the availability of resources.

[MR. DEPUTY CHAIRMAN in the Chair]

SHRIMATI JAYA BACHCHAN: Thank you, Sir. He has already answered what I wanted to know.

SHRI RAVI SHANKAR PRASAD: Hon. Deputy Chairman, Sir, my question, basically relates to the (b) part of the question and answer, namely, minimizing dependence upon foreign suppliers in procurement of defence equipments. Sir, my query is, basically, in three parts. I would like to know from the hon. Defence Minister whether middlemen have to

play a role in procurement of defence equipments from foreign countries. If the answer is in the negative, then, the (b) part is: Is the hon. Defence Minister aware that there have been widespread news items in magazines that in the recent purchase of submarines from France, two middlemen have played a crucial role in purchases worth Rs. 12,000 crores. In fact, I can name the magazine. The *Outlook* magazine has come out with a cover story where the exchange of e-mails has also been reported. And one of the alleged middlemen happens to be ...(*Interruptions*)...

MR. DEPUTY CHAIRMAN: Please put the question.

SHRI RAVI SHANKAR PRASAD: Let me explain that question before he replies. Therefore, my question to the hon. Defence Minister is: Does the Government accept that no middleman has played a role in the purchase of submarines from France? If the answer is in the negative, what action does the Government propose to take in respect of the middlemen who have been named along with documentary evidence?

SHRI PRANAB MUKHERJEE: Sir, it is for you to decide whether the question of procurement comes in the question of encouraging indigenous production of defence equipment. That is for you to decide, I am not making any comment. It is the discretion of the Deputy Chairman. So far as the question regarding defence procurement policy both on revenue and capital is concerned, the policy was formulated in 2005. It is on the website and the hon. Member is a very knowledgeable Member. He must be aware of it that we entered into an integrity pact with the prospective suppliers that no middlemen would be deployed. If any middleman is deployed even after signing the contract, at a subsequent stage if it is found, then, penal action will be taken. In some cases, we have already taken penal action when it came to our notice.

The hon. Member has referred to the *Outlook* magazine. I think, the hon. Member is fully aware that certain contradictions have been issued from the Ministry of Defence. There were certain discrepancies in the figures also; Rs. 16,000 crore were depicted as Rs. 18,000 crores. Not only the Government of India, Ministry of Defence, but both the purchaser and the French Ambassador have categorically denied the involvement of any middlemen.

SHRI RAVI SHANKAR PRASAD: But, evidence has come ...(*Interruptions*)...

SHRI PRANAB MUKHERJEE: You are a senior lawyer. You should think what is evidence and what is not.

SHRI RAJEEV SHUKLA: I want to know from the hon. Defence Minister whether the Ministry has received the second part of the Kelkar Committee Report, which is about the modernization of defence procurement system. If yes, then, what action has been taken so far? Secondly, there was Defence Expo in Delhi. Has any major deal taken place between the India companies and the foreign defence manufacturing companies?

SHRI PRANAB MUKHERJEE: Sir, so far as the second part of the Kelkar Committee Report is concerned, yes, we have received it. It is under the examination of the Government; and, surely we will take action. Since there are various stakeholders, we shall have to discuss with the workers who are in the ordnance factories, because there are certain recommendations about the modernization and corporatisation of the ordnance factories. So, we have not taken any decision, because we would like to have discussions with the other stakeholders. Normally, in the exhibitions like Defence Expo, they exchange views, they, both the exhibitors and those who participate in it, interact with each other, but, no deal between the Indian companies and any other foreign company has been struck. Though, there might have been some preliminary negotiations and discussions, but that is not within my knowledge.

श्री शाहिद सिद्दिकी : सर, मैं मंत्री जी से यह जानना चाहूंगा कि इजराइल से पिछले पांच वर्षों में हमारी जो डिफेंस की प्रोक्योरमेंट है, उसका इम्पोर्ट कितने परसेंट बढ़ा है? क्या इजराइल से डिफेंस इक्विपमेंट का लाना और उसके ऊपर हमारी निर्भरता को बढ़ाना भारत के राष्ट्रीय हित में है?

इसके साथ मैं यह भी जानना चाहता हूं कि इस प्रकार से निर्भरता को बढ़ाने के क्या कारण हैं और इनके ऊपर हमारी निर्भरता कितनी बढ़ी है?

شری شاہد صدیقی: سر، میں منتری جی سے یہ جاننا چاہوں گا کہ اسرائیل سے پچھلے پانچ سالوں میں ہماری جو ڈیفنس کی پروکیورمینٹ ہے، اس کا ایمپورٹ کتنے فیصد بڑھا ہے؟ کیا اسرائیل سے ڈفینس اکوپمینٹ کا لانا اور اس کے اوپر ہماری نربھرتا کو بڑھانا بھارت کے راشٹریہ ہت میں ہے؟ اس کے ساتھ میں یہ بھی جاننا چاہتا ہوں کہ اس طرح سے نربھرتا کو بڑھانے کی کیا وجوہات ہیں اور ان کے اوپر ہماری نربھرتا کتنی بڑھی ہے؟

SHRI PRANAB MUKHERJEE: Sir, so far as the specific question as to what is the percentage of imports from Israel is concerned, I require a separate notice. In respect of dependence on Israel, I can assure the hon. Members that we are not depending on any country. We are trying to depend on ourselves by augmenting our indigenous exercise and the whole thrust of the question is how to speed up our indigenous exercises.

Corruption in Swajaldhara Yojana

*64. SHRI C. RAMACHANDRAIAH: Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Swajaldhara Yojana is not proving beneficial due to rampant corruption;

(b) if so, Government's reaction thereto;

(c) the usual time taken in sanctioning the scheme;

(d) the details of areas in Andhra pradesh where the said scheme has been implemented; and

(e) the details of progress made during the current financial year?

THE MINISTER OF RURAL DEVELOPMENT (DR. RAGHUVANSH PRASAD SINGH): (a) to (e) A statement is laid laid on the Table of the House.

(a) and (b) No, Sir. No sepcific complaint of corruption in the implementation of Swajaldhara has been received in the Department of Drinking Water Supply, Ministry of Rural Development . Rural drinking water is a State subejct and the State Governments are primarily responsible for ensuring proper implementation of the Swajaldhara Scheme. Vigilance and Monitoring Committees at the district level already exist to ensure proper utilization of funds. The District Vigilance & Monitoring Committees

†[]Transliteration of Urdu Script.